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## ABSTRACT

This report anticipates the potential effect upon the financial aid needs of students currently enrolled in Alabama colleges and universities of the Basic Educational Opportunity Program (BOG). The impact of the BOG program on student financial needs at seven types of institutions under current (1972-73) conditions of costs, enrollments, student financial needs, and student financial aid resources is reviewed. A summarization of the estimated impact suggests that a fully funded or partially funded BOG program would reduce the estimated financial needs at Alabama colleges and universities to \$27.71 million and the unmet financial needs to an estimated \$4.08 million. A partially but sufficiently funded BOG program, making a major proportion of the grant amounts anticipated in the program, would reduce estimated financial needs in the state to \$35.17 million and the unmet financial needs to an estimated \$16.65 million. (Author/MJM)

ED 082594

## A SPECIAL REPORT

# The Estimated Impact Of The Basic Educational Opportunity Grant Program On Student Financial Aid At Alabama Colleges And Universities, 1972-73

U.S. DEPARTMENT OF HEALTH  
EDUCATION & WELFARE  
NATIONAL INSTITUTE OF  
EDUCATION

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A SPECIAL REPORT

THE ESTIMATED IMPACT OF THE  
BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM  
ON STUDENT FINANCIAL AID AT  
ALABAMA COLLEGES AND UNIVERSITIES, 1972-73

STATE OF ALABAMA  
ALABAMA COMMISSION ON HIGHER EDUCATION  
OCTOBER, 1972

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## FOREWARD

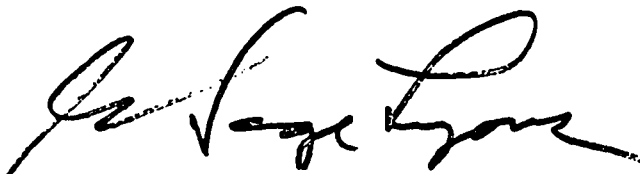
The Alabama Commission on Higher Education was authorized on May 14, 1969 for "the general purpose of promoting an educational system that will provide the highest possible quality of collegiate and university education to all persons in the State able and willing to profit from it." The Act which created the Commission directed the Commission "to cause to be made such surveys and evaluations of higher education as is believed necessary for the purpose of providing appropriate information to carry out its powers and duties...." It is in accordance with this provision that this special report is presented.

In the Spring of 1972, the Commission caused to be conducted a study of student financial aid needs and resources at Alabama colleges and universities. The study was conducted and is reported in A Study of Undergraduate Student Financial Aid in Alabama, 1970-71, a Commission report published in September, 1972. While the study was being conducted, Congress was deliberating on the Higher Education Act of 1972. One of the major components of the Act, which was signed into law on June 23, 1972, is the provision of a Basic Educational Opportunity Grant Program of Federal financial assistance to students in post-secondary educational institutions. While the BOG Program has not, as of this writing, received any appropriations, when funded it should have a dramatic effect upon student financial aid needs at colleges and universities across the nation.

This study provides the Commission, members of the Legislature, and the higher education community with information on the potential effect of the BOG Program on financial aid needs of Alabama students. This information

should be helpful in future planning for the needs of Alabama college students.

The Commission expresses appreciation to Dr. Jerry S. Davis, the major research analyst who prepared the original text of the study; Mrs. Kay Staub, who provided editorial support; and to Dr. Joseph T. Sutton, who supervised the production of this study.



G. Sage Lyons, Chairman  
Alabama Commission on Higher Education



Clanton W. Williams  
Executive Director

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## INTRODUCTION

The purpose of this report is to anticipate the potential effect upon the financial aid needs of students currently enrolled in Alabama colleges and universities of the Basic Educational Opportunity Program of the recently enacted Higher Education Act of 1972. This report is based upon data derived from an earlier study, A Study of Undergraduate Student Financial Aid in Alabama, 1970-71. It is written with the assumption that its readers will have access to the earlier report and the technical description of methodology contained therein.

Data reported in the earlier study indicated the presence of financial barriers to higher education for a number of Alabama students. These barriers were seen as the result of: (1) the inability of students and their families to meet the costs of higher education,<sup>1</sup> (2) restrictions and limitations on the availability of student financial aid,<sup>2</sup> (3) patterns of financial aid distribution at colleges and universities, and (4) the way in which students distribute themselves among the various types of colleges and universities in the State.

The Basic Educational Opportunity Grant Program, when fully funded, is likely to change some of these conditions over a long-term period of time. How these changes might come about and what their nature might be is beyond the scope of this report. The purpose here is to assess the

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<sup>1</sup> Thirty-percent of Alabama's college students come from families with incomes below \$6,000.

<sup>2</sup> Certain financial aid awards are based on specific characteristics or educational goals of applicants rather than on financial need; certain awards are restricted by geography, curriculum, secondary school preparation, institutional matriculation, donor preferences or choices or special and unusual recipient characteristics. Over sixty-five percent of the financial aid available for undergraduate students is restricted or limited in some way.

potential impact of the BOG Program on student financial needs at seven types<sup>3</sup> of institutions under current (1972-73) conditions of costs, enrollments, student financial needs, and student financial aid resources.

The analyses in this report are based on data reported in the earlier study,<sup>4</sup> the allocation procedures of the BOG Program,<sup>5</sup> and estimates of cost, enrollments, and distribution of available financial aid resources in Alabama in 1972-73. The data and analyses reported in A Study of Undergraduate Student Financial Aid in Alabama, 1970-71 were based upon the year 1970-71. It was necessary to choose that period because data were more complete and available for that year at the time of that report. Projective techniques and estimates are used for this report to describe the parameters in 1972-73. All data, estimates, analyses and interpretations in both reports refer only to undergraduate students.

Assumptions and estimates made in this report and the previous report were necessitated by limits of time, resources, and availability of data. However, these assumptions and estimates have been made with deliberation and consultation. And, in general, where alternatives were considered, the more conservative assumptions and estimates were accepted. It should be noted that modifying these assumptions or estimates may result in interpretations different from those in the earlier study and in this report.

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<sup>3</sup>The colleges in the study are collapsed into seven rather than eight possible groupings by considering the single black two-year non-public college in the State as a black four-year non-public institution. This grouping is necessary to insure a sufficient number of cases for analysis and to maintain the confidentiality of institutional data.

<sup>4</sup>Data for A Study of Undergraduate Student Financial Aid in Alabama, 1970-71 were drawn from published reports, a brief survey of the financial aid administrators of Alabama colleges and universities, institutional reports submitted to the U.S. Office of Education, and communication with public and private agencies.

<sup>5</sup>See Appendix A for a full explanation of these procedures.

# UNDERGRADUATE STUDENT FINANCIAL NEEDS AT ALABAMA COLLEGES AND UNIVERSITIES

In order to calculate the financial aid needs of undergraduates enrolled in Alabama colleges and universities, it is necessary to determine four factors:

1. Income distribution data for families of relevant groups of students.
2. Expected parental contributions toward defrayal of college expenses.
3. Expected out-of-pocket, i.e., direct money costs to students at relevant groups of colleges. (Tuition, fees, room, board, transportation, and miscellaneous expenses)
4. Expected student contributions to educational expenses from summer or term-time employment.

Income Distributions. The financial aid administrators of Alabama colleges in filing their 1972 Institutional Application to Participate in Federal Student Financial Aid Program (APPLCN) forms were required to provide data concerning the distribution of family incomes of all enrolled undergraduates. These distributions, by seven groupings of colleges, are reported in Table 1.

TABLE 1  
DISTRIBUTION OF FAMILY INCOMES,  
1970-71, BY COLLEGE TYPES

	White 4-Year Publics	Black 4-Year Publics	White 4-Year Non- Publics	Black 4-Year Non- Publics	White 2-Year Publics	Black 2-Year Publics	White 2-Year Non- Publics	All Colleges
Less than \$3,000	6.8%	39.6%	5.2%	32.7%	12.0%	35.6%	4.0%	11.7%
\$3,000 to \$5,999	14.1	37.4	12.1	33.8	20.5	35.5	11.2	18.0
\$6,000 to \$7,499	8.5	11.2	8.2	12.6	19.5	13.7	8.3	10.6
\$7,500 to \$8,999	12.8	6.4	9.6	8.9	15.2	8.6	7.8	12.0
\$9,000 to \$11,999	20.2	3.9	19.5	7.7	16.3	4.8	23.4	17.5
\$12,000 and more	37.6	1.5	45.4	4.3	16.6	1.8	45.3	30.2
Median Annual Income	\$10,158	\$3,834	\$11,351	\$4,534	\$7,346	\$4,216	\$11,397	\$8,712

Expected Parental Contributions. A standard basis for calculating total expected parental contributions from families of ordinary financial circumstances with no unusual financial burdens has been developed by the College Scholarship Service.<sup>6</sup> The expected contribution decreases as family size increases and/or family income decreases. Information from A Study of Undergraduate Student Financial Aid in Alabama, 1970-71 indicates that the average family of Alabama students who applied for financial aid was comprised of two parents and three dependent children. Therefore, the CSS Standard applied to each income level in this study is the one for families with three dependent children, one of whom is in college.

There is no expected average contribution from families with incomes below \$7,500; an average annual contribution of \$350 from families with incomes in the \$7,500-\$8,999 range; and, an average contribution of \$760 from families with incomes in the \$9,000-\$11,999 range. The upper income interval in the distribution is "\$12,000 and up". The average parental contribution from this interval is adjusted to account for different median incomes among black and white families and families of students at two-year and four-year colleges. The expected average contribution from families of \$12,000 or more at the white four-year public colleges, white four-year non-public colleges, and white two-year non-public colleges is \$1,880 per year. At black two-year and four-year colleges, the expected average contribution is \$1,620 per year. At the two-year public colleges, it is \$1,750 per year.

College Costs. Weighted average budgets for the typical commuter and resident student at each of the seven types of colleges were obtained from data collected for and reported in the earlier study. (A commuter student is one who lives at home and generally has room and board provided at little

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<sup>6</sup>Manual for Financial Aid Officers, 1971 Edition, College Scholarship Service Assembly (New York: College Entrance Examination Board, 1971).

or no charge from his parents. However, the costs of housing and boarding the student at home is a real cost to parents, and financial aid administrators do consider an amount equivalent to or slightly below the cost of room and board outside the home as a part of the commuter student's budget. The resident student is one who lives away from home and must purchase meals and housing as a portion of total educational expenses, regardless of whether he lives in a residence hall, fraternity, rooming house or apartment.) The weighted average budgets for resident and commuter students at each of the seven types of colleges are presented in Table 2.<sup>7</sup> Costs are estimated to range from \$1,028 for the typical commuter student at black two-year public colleges to \$2,886 per year for the typical resident student at white four-year private colleges.

TABLE 2  
WEIGHTED AVERAGE COSTS FOR RESIDENT AND  
COMMUTER STUDENTS, BY COLLEGE TYPES, 1972-73

<u>College Type</u>	<u>Resident</u>	<u>Commuter</u>
White 4-year Publics	\$2,085	\$1,763
Black 4-year Publics	\$1,604	\$1,334
White 4-year Non-Publics	\$2,886	\$2,322
Black 4-year Non-Publics	\$2,649	\$2,430
White 2-year Publics	\$1,805	\$1,259
Black 2-year Publics	\$1,326	\$1,028
White 2-year Non-Publics	\$2,330	\$1,815

Student Self-Help. In the earlier financial aid study, estimates of expected student self-help contributions from summer and term-time employment were developed from a College Scholarship Service standard scale and estimates from financial aid officers' 1972 APPLCN forms. For the purposes of that study and this report, it was assumed that the average two-year college male could contribute \$450 per year toward his education. Females were expected to contribute \$350 per year. The average four-year college male was expected

<sup>7</sup>Obtained from the survey of financial aid administrators conducted for A Study of Undergraduate Student Financial Aid in Alabama, 1970-71.

to contribute \$525 toward his education each year. The average four-year college female was expected to contribute \$425 per year.

The Calculation of Financial Aid Needs. With the income distributions, expected parental contributions, average costs, and expected student self-help contributions reported above and estimates of enrollments, percentages of resident and commuter students and percentages of male and female students obtained from the earlier study, it is possible to calculate student financial needs in 1972-73 at each of the seven types of colleges in Alabama. These calculations are presented in Tables 3 through 9.



Table 3

## ESTIMATED FINANCIAL NEED AT

WHITE FOUR-YEAR PUBLIC COLLEGES, 1972-73

<u>Enrollment Distribution By Parental Income</u>		<u>Student Costs</u>		<u>Parental Contribution</u>		<u>Student Self-Help</u>		<u>Additional Aid Required</u>	
<u>Income Level</u>	<u>% Dist.</u>	<u># of Students</u>	<u>Total for Commuters &amp; Residents<sup>1</sup></u>	<u>Per Student</u>	<u>Total</u>	<u>Total<sup>2</sup></u>	<u>Per Student</u>	<u>Total</u>	
Less than \$3,000	7	3,194	\$ 6,330,406			\$ 1,545,850	\$ 1,497	4,784,556	
\$3,000 to \$5,999	14	6,389	12,662,897			3,092,325	1,497	9,570,572	
\$6,000 to \$7,499	9	4,107	8,139,987			1,987,775	1,497	6,152,212	
\$7,500 to \$8,999	13	5,932	11,757,064	\$ 330	\$ 1,957,560	2,871,100	1,167	6,928,404	
\$9,000 to \$11,999	20	9,127	18,089,233	760	6,936,520	4,417,475	737	6,735,238	
\$12,000 and up	37	16,884	33,463,374	1,680	31,741,920	8,171,900	-382 <sup>3</sup>	-6,450,446 <sup>3</sup>	
Total	100	45,633	\$ 90,442,961		\$ 40,636,000	\$ 22,086,425	\$ 748	\$35,488,882 <sup>4</sup>	

<sup>1</sup> 132% commuters, 68% residents<sup>2</sup> 259% male, 41% female<sup>3</sup> Not included in total, contributions exceed costs for this interval<sup>4</sup> Included in total, \$1,317,900 for out-of-state fees

TABLE 4  
ESTIMATED FINANCIAL NEED AT  
BLACK FOUR-YEAR PUBLIC COLLEGES, 1972-73

<u>Enrollment Distribution By Parental Income</u>		<u>Student Costs</u>		<u>Parental Contribution</u>		<u>Student Self-Help</u>		<u>Additional Aid Required</u>	
<u>Income Level</u>	<u>% Dist.</u>	<u># of Students</u>	<u>Total for Commuters &amp; Residents<sup>1</sup></u>	<u>Per Student</u>	<u>Total</u>	<u>Total<sup>2</sup></u>	<u>Per Student</u>	<u>Total</u>	<u>Total<sup>3</sup></u>
Less than \$3,000	40	1,764	\$ 2,681,766			\$ 825,600	\$ 1,052	\$ 1,856,166	
\$3,000 to \$5,999	37	1,632	2,481,108			763,800	1,052	1,717,308	
\$6,000 to \$7,499	11	485	738,774			227,025	1,055	511,749	
\$7,500 to \$8,999	6	265	402,920	\$ 330	\$ 87,450	124,025	722	191,445	
\$9,000 to \$11,999	4	176	267,454	760	133,760	82,400	291	51,294	
\$12,000 and up	2	88	133,862	1,620	142,560	41,200	-567 <sup>3</sup>	-49,898 <sup>3</sup>	
Total	100	4,410	\$ 6,705,884		\$ 363,770	\$ 2,064,050	\$ 981	\$ 4,340,862 <sup>4</sup>	

<sup>1</sup> 31% commuters, 69% residents

<sup>3</sup> Not included in total, contributions exceed costs for this interval

<sup>2</sup> 43% male, 57% female

<sup>4</sup> Included in total, \$12,900 for out-of-state fees

TABLE 5  
ESTIMATED FINANCIAL NEED AT  
WHITE FOUR-YEAR NON-PUBLIC COLLEGES, 1972-73

Enrollment Distribution By Parental Income		Student Costs		Parental Contribution		Student Self-Help		Additional Aid Required	
Income Level	% Dist.	# of Students	Total for Commuters & Residents <sup>1</sup>	Per Student	Total	Total <sup>2</sup>	Per Student	Per Student	Total
Less than \$3,000	5	296	\$ 769,092			\$ 142,100	\$ 2,118	\$	626,992
\$3,000 to \$5,999	12	710	1,844,892			340,850	2,118		1,504,042
\$6,000 to \$7,499	8	473	1,229,134			227,025	2,118		1,002,129
\$7,500 to \$8,999	10	591	1,538,748	\$ 330	\$ 195,030	283,675	1,793		1,060,043
\$9,000 to \$11,999	20	1,183	3,074,046	760	899,080	567,375	1,352		1,607,091
\$12,000 and up	45	2,661	6,914,298	1,880	5,002,680	1,277,325	238		634,293
Total	100	5,914	\$ 15,370,230		\$ 6,096,790	\$ 2,838,850	\$ 1,088	\$	6,434,590

<sup>1</sup>51% commuters, 49% residents

<sup>2</sup>55% male, 45% female

TABLE 6  
ESTIMATED FINANCIAL NEED AT  
BLACK FOUR-YEAR NON-PUBLIC COLLEGES, 1972-73

Enrollment Distribution By Parental Income		Student Costs		Parental Contribution		Student Self-Help		Additional Aid Required	
Income Level	% Dist.	# of Students	Total for Commuters & Residents <sup>1</sup>	Per Student	Total	Per Student <sup>2</sup>	Total	Per Student	Total
Less than \$3,000	33	2,182	\$ 5,674,998			\$ 1,027,750	\$ 4,647,248	\$ 2,129	4,647,248
\$3,000 to \$5,999	34	2,248	5,846,547			1,058,800	4,787,747	2,129	4,787,747
\$6,000 to \$7,499	13	860	2,236,749			405,100	1,831,649	2,129	1,831,649
\$7,500 to \$8,999	9	595	1,547,466	\$ 330	\$ 196,350	280,275	1,070,841	1,799	1,070,841
\$9,000 to \$11,999	8	529	1,375,917	760	402,040	249,125	724,752	1,370	724,752
\$12,000 and up	3	198	514,866	1,620	320,760	93,250	100,856	509	100,856
Total	100	6,612	\$ 17,196,543		\$ 919,150	\$ 3,114,300	\$ 13,163,093	\$ 1,990	\$ 13,163,093

<sup>1</sup>22% commuters, 78% residents

<sup>2</sup>46% male, 54% female

TABLE 7  
ESTIMATED FINANCIAL NEED AT  
WHITE TWO-YEAR PUBLIC COLLEGES, 1972-73

Enrollment Distribution By Parental Income		Student Costs		Parental Contribution		Student Self-Help		Additional Aid Required	
Income Level	% Dist.	# of Students	Total for Commuters & Residents <sup>1</sup>	Per Student	Total	Per Student	Total <sup>2</sup>	Per Student	Total
Less than \$3,000	12	1,413	\$ 1,817,733			\$ 868	\$ 1,227,083		
\$3,000 to \$5,999	20	2,355	3,029,373			868	2,045,023		
\$6,000 to \$7,499	20	2,355	3,029,373			868	2,045,023		
\$7,500 to \$8,999	15	1,766	2,271,442	\$ 330	\$ 582,780	538	930,462		
\$9,000 to \$11,999	16	1,884	2,423,280	760	1,431,840	108	203,940		
\$12,000 and up	17	2,001	2,573,859	1,750	3,501,750	-881 <sup>3</sup>	-1,764,341 <sup>3</sup>		
Total	100	11,774	\$ 15,165,060		\$ 5,516,370	\$ 549	\$ 6,471,531		

<sup>1</sup>95% commuters, 5% residents

<sup>2</sup>Not included in total, contributions exceed costs for this interval

<sup>3</sup>68% male, 32% female

TABLE 8

ESTIMATED FINANCIAL NEED AT  
BLACK TWO-YEAR PUBLIC COLLEGES, 1972-73

<u>Enrollment Distribution By Parental Income</u>		<u>Student Costs</u>		<u>Parental Contribution</u>		<u>Student Self-Help</u>		<u>Additional Aid Required</u>	
<u>Income Level</u>	<u>% Dist.</u>	<u># of Students</u>	<u>Total for Commuters &amp; Residents<sup>1</sup></u>	<u>Per Student</u>	<u>Total</u>	<u>Total<sup>2</sup></u>	<u>Per Student</u>	<u>Total</u>	
Less than \$3,000	36	809	\$ 852,348			\$ 323,650	\$ 653	\$ 528,698	1
\$3,000 to \$5,999	35	786	829,136			314,400	654	514,736	12
\$6,000 to \$7,499	14	315	332,596			126,050	655	206,546	
\$7,500 to \$8,999	9	202	212,424	\$ 330	\$ 66,660	80,800	321	64,964	
\$9,000 to \$11,999	5	112	120,172	760	85,120	44,800	-87 <sup>3</sup>	- 9,748 <sup>3</sup>	
\$12,000 and up	1	22	23,212	1,620	35,640	8,800	-964 <sup>3</sup>	-21,228 <sup>3</sup>	
Total	100	2,246	\$ 2,369,888		\$ 187,420	\$ 898,500	\$ 585	\$ 1,314,944	

<sup>1</sup> 92% commuters, 8% residents

<sup>2</sup> 50% male, 50% female

<sup>3</sup> Not included in total, contributions exceed costs at these intervals

TABLE 9

ESTIMATED FINANCIAL NEED AT  
WHITE TWO-YEAR NON-PUBLIC COLLEGES. 1972-73

<u>Enrollment Distribution By Parental Income</u>		<u>Student Costs</u>		<u>Parental Contributions</u>		<u>Student Self-Help</u>		<u>Additional Aid Recruited</u>	
<u>Income Level</u>	<u>% Dist.</u>	<u># of Students</u>	<u>Total for Commuters &amp; Residents<sup>1</sup></u>	<u>Per Student</u>	<u>Total</u>	<u>Per Student</u>	<u>Total</u>	<u>Per Student</u>	<u>Total</u>
Less than \$3,000	4	52	\$ 107,770			\$ 21,700	\$ 86,070	\$ 1,655	
\$3,000 to \$5,999	11	144	298,440			60,200	238,240	1,654	
\$6,000 to \$7,499	8	105	219,685			43,850	175,835	1,674	
\$7,500 to \$8,999	8	105	219,685	\$ 330	\$ 34,650	43,850	141,185	1,344	
\$9,000 to \$11,999	23	301	625,895	760	228,760	175,850	271,285	901	
\$12,000 and up	46	601	1,247,645	1,880	1,129,880	251,250	-133,485 <sup>3</sup>	-222 <sup>3</sup>	
<b>Total</b>	<b>100</b>	<b>1,308</b>	<b>\$ 2,719,120</b>		<b>\$ 1,393,290</b>	<b>\$ 546,700</b>	<b>\$ 912,615</b>	<b>\$ 697</b>	<b>\$ 86,070</b>

<sup>1</sup> 50% commuters, 50% residents  
<sup>2</sup> 68% male, 32% female  
<sup>3</sup> Not included in total. contributions exceed costs at this interval

The seven preceding tables show an estimated need of approximately 68.1 million dollars for the currently enrolled dependent college students in Alabama colleges and universities.<sup>8</sup> Table 10 summarizes the total need by college types. Table 11 summarizes the total need by income intervals.

TABLE 10  
ESTIMATED TOTAL FINANCIAL NEED,  
1972-73, BY COLLEGE TYPES

<u>College Type</u>	<u>Total Need</u>	<u>% of Total Need</u>	<u>% of Total Enrollment</u>
White 4-year Publics	\$35,488,882	52.1	58.6
Black 4-year Publics	4,340,862	6.4	5.7
White 4-year Non-Publics	6,434,590	9.4	7.6
Black 4-year Non-Publics	13,163,093	19.4	8.4
White 2-year Publics	6,471,531	9.5	15.1
Black 2-year Publics	1,314,944	1.9	2.9
White 2-year Non-Publics	912,615	1.3	1.7
	<u>\$68,126,517</u>	<u>100%</u>	<u>100%</u>

TABLE 11  
ESTIMATED TOTAL FINANCIAL NEED,  
BY INCOME INTERVALS, ALL COLLEGES COMBINED

<u>Income Interval</u>	<u>Total Need</u>	<u>% of Total Need</u>	<u>% of Total Enrollment</u>
Less than \$3,000	\$12,985,267	20.5	12.5
\$3,000 to \$5,999	20,606,122	30.3	18.3
\$6,000 to \$7,499	12,140,289	17.8	11.2
\$7,500 to \$8,999	10,622,490	15.6	12.1
\$9,000 to \$11,999	9,808,746	14.4	17.1
More than \$12,000	963,603	1.4	28.8
	<u>\$68,126,517</u>	<u>100%</u>	<u>100%</u>

<sup>8</sup> In the previous study of financial aid needs and resources in Alabama, independent students were considered in the assessment of total need for the State; they have been excluded from consideration in the present study. An independent student is one who has not, during the calendar year prior to the date he expects to receive financial aid resided with, been claimed as a dependent for Federal income purposes by, or been the recipient of \$200 from one or both parents or any other person acting in loco parentis.



IMPACT OF BASIC EDUCATIONAL OPPORTUNITY PROGRAM  
ON STUDENT FINANCIAL NEEDS

The Basic Educational Opportunity Grant Program will provide to "Each student who has been accepted for enrollment in, or is in good standing at, an institution of higher education...for each academic year during which that student is in attendance at that institution, as an undergraduate a basic grant" of \$1,400 less the expected parental contribution. No Basic Opportunity Grant shall "exceed the difference between the expected family contribution for a student and the actual cost of attendance at the institution at which the student is in attendance". No Basic Opportunity Grant shall "exceed 50 per centum of the actual cost of attendance at the institution". No Basic Opportunity Grant shall be less than \$200.

In this chapter, the provisions of the Basic Educational Opportunity Grant Program will be included in the analyses of financial need at each income level for each college type in the State. This inclusion obviously reduces the amount of the financial need at each institution determined in the previous section.

The following serve to illustrate the procedures used in the analyses:

The average resident budget at the white four-year public college is \$2,085. A family with an income of less than \$3,000 is not expected to contribute to its child's education. Therefore, the basic grant eligibility is \$1,400 (\$1,400 - no family contribution). However, the basic grant amount cannot exceed one-half the cost of attending a particular institution. Therefore, the basic grant entitlement becomes \$1,042.

A resident student from a family whose income falls in the \$9,000-\$11,999 interval would be, on the average, expected to receive \$760 from his or her family toward educational costs. The basic grant eligibility then is \$640 (\$1,400 - \$760 family contribution), which is less than one-half the attendance costs for the resident student.

Average basic grants for residents and commuters in income intervals at each college type were calculated according to the procedure demonstrated above. A weighted basic grant was then determined for the proportion of commuters and residents within each interval. The amounts of these average grants were then multiplied by the number of students in each income interval to obtain an estimate of total potential BOG funds for each interval and the remaining financial need for each interval. These calculations are presented in Tables 12 through 18.

TABLE 12  
ESTIMATED FINANCIAL NEED AT  
WHITE FOUR-YEAR PUBLIC COLLEGES  
WITH 100% BOG PROGRAM FUNDING

Enrollment Distribution by Parental Income			Student Costs		Parental Contribution		Student Self-Help		BOG's as Financial Aid		Additional Aid Required	
Income Level	% Dist.	# of Students	Total for Commuters & Residents <sup>1</sup>		Per Student	Total	Per Student	Total <sup>2</sup>	Per Student	Total	Per Student	Total
Less than \$3,000	7	3,194	\$ 6,330,406					\$ 1,545,850	\$ 992	\$ 3,168,448	\$ 506	\$ 1,616,108
\$3,000 to \$5,999	14	6,389	12,662,897					3,092,325	992	6,337,888	506	3,232,684
\$6,000 to \$7,499	9	4,107	8,139,987					1,987,775	992	4,074,144	506	2,078,068
\$7,500 to \$8,999	13	5,932	11,757,064		\$ 330	\$ 1,957,560		2,871,100	992	5,884,544	176	1,043,860
\$9,000 to \$11,999	20	9,127	18,089,233		760	6,936,520		4,417,475	640	5,841,280	98	893,958
\$12,000 and up	37	16,884	33,463,374		1,880	31,741,920		8,171,900	0	0	-382 <sup>3</sup>	-6,450,446 <sup>3</sup>
Total	100	45,633	\$ 90,442,961			\$ 40,636,000		\$ 22,086,425		\$ 25,306,304		\$ 10,182,578 <sup>4</sup>

<sup>1</sup> 32% commuters, 68% residents

<sup>2</sup> 59% male, 41% female

<sup>3</sup> Not included in total, contributions exceed costs for this interval

<sup>4</sup> Included in total, \$1,317,900 for out-of-state fees

TABLE 13  
ESTIMATED FINANCIAL NEED AT  
BLACK FOUR-YEAR PUBLIC COLLEGES  
WITH 100% BOG PROGRAM FUNDING

Enrollment Distribution by Parental Income			Student Costs		Parental Contribution		Student Self-Help		BOG's as Financial Aid		Additional Aid Required	
Income Level	% Dist.	# of Students	Total for Commuters & Residents		Per Student	Total	Per Student	Total	Per Student	Total	Per Student	Total
Less than \$3,000	40	1,764	\$	2,681,766				\$ 825,600	\$ 760	\$ 1,340,640	\$ 292	\$ 515,526
\$3,000 to \$5,999	37	1,632		2,481,128			763,800		760	1,240,320	292	476,988
\$6,000 to \$7,499	11	485		738,774			227,025		760	368,600	295	143,149
\$7,500 to \$8,999	6	265		402,920	\$ 330	\$ 87,450	124,025		760	201,400	38	9,995
\$9,000 to \$11,999	4	176		267,454	760	133,760	82,400		640	112,640	-349 <sup>3</sup>	-61,346 <sup>3</sup>
\$12,000 and up	2	88		133,862	1,620	142,560	41,200		0	0	-657 <sup>3</sup>	-49,898 <sup>3</sup>
Total	100	4,410	\$	6,705,884		\$ 363,770	\$ 2,064,050			\$ 3,263,600		\$ 1,148,563 <sup>4</sup>

<sup>1</sup>31% commuters, 69% residents

<sup>3</sup>Not included in total, contributions exceed costs for this interval

<sup>2</sup>43% male, 57% female

<sup>4</sup>Included in total, \$12,900 for out-of-state fees

TABLE 14  
ESTIMATED FINANCIAL NEED AT  
WHITE FOUR-YEAR NON-PUBLIC COLLEGES  
WITH 100% BOG PROGRAM FUNDING

Enrollment Distribution by Parental Income			Student Costs		Parental Contribution		Student Self-Help		BOG's as Financial Aid		Additional Aid Required	
Income Level	% Dist.	# of Students	Total for Commuters & Residents		Per Student	Total	Per Student	Total	Per Student	Total	Per Student	Total
Less than \$3,000	5	296	\$ 769,082						\$ 1,278	\$ 378,288	\$ 840	\$ 248,704
\$3,000 to \$5,999	12	710	1,844,892						1,278	907,380	840	596,662
\$6,000 to \$7,499	8	473	1,229,154						1,278	604,494	840	397,635
\$7,500 to \$8,999	10	591	1,538,748		\$ 330	\$ 195,030			1,070	632,370	724	427,673
\$9,000 to \$11,999	20	1,183	3,074,046		760	899,080			640	757,120	718	849,971
\$12,000 and up	45	2,661	6,914,298		1,880	5,002,680			0	0	238	634,293
Total	100	5,914	\$15,370,230			\$6,096,790				\$3,279,652		\$3,154,938

<sup>1</sup> 51% commuters, 49% residents

<sup>2</sup> 55% males, 45% females

TABLE 15  
ESTIMATED FINANCIAL NEED AT  
BLACK FOUR-YEAR NON-PUBLIC COLLEGES  
WITH 100% BOC PROGRAM FUNDING

Enrollment Distribution by Parental Income			Student Costs		Parental Contribution		Student Self-Help		BOC's as Financial Aid		Additional Aid Required	
Income Level <sup>1</sup>	% Dist.	# of Students	Total for Commuters & Residents <sup>2</sup>		Per Student	Total	Per Student	Total	Per Student	Total	Per Student	Total
Less than \$3,000	33	2,182	\$ 5,674,998						\$1,301	\$ 2,838,782	\$ 829	\$ 1,808,466
\$3,000 to \$5,999	34	2,248	5,846,547						1,301	2,924,648	829	1,863,099
\$6,000 to \$7,499	13	860	2,236,749						1,301	1,118,860	829	712,789
\$7,500 to \$8,999	9	595	1,547,466		\$ 330	\$ 196,350			1,070	636,650	730	434,191
\$9,000 to \$11,999	8	529	1,375,917		760	402,040			640	338,560	730	386,192
\$12,000 and up	3	198	514,866		1,620	320,760			0	0	509	100,856
Total	100	6,612	\$17,196,543			\$ 919,150		\$ 3,114,300		\$ 7,857,500		\$ 5,305,593

<sup>1</sup>22% commuters, 78% residents

<sup>2</sup>46% males, 54% females

TABLE 16  
ESTIMATED FINANCIAL NEED AT  
WHITE TWO-YEAR PUBLIC COLLEGES  
WITH 100% BOC PROGRAM FUNDING

Enrollment Distribution by Parental Income			Student Costs		Parental Contribution		Student Self-Help		BOG's as Financial Aid		Additional Aid Required	
Income Level	% Dist.	# of Students	Total for Computers & Residents		Per Student	Total	Per Student	Total	Per Student	Total	Per Student	Total
Less than \$3,000	12	1,413	\$ 1,817,733						\$644	\$ 909,972	\$ 224	\$ 317,111
\$3,000 to \$5,999	20	2,355	3,029,373					984,350	644	1,516,620	224	528,403
\$6,000 to \$7,499	20	2,355	3,029,373					984,350	644	1,516,620	224	528,403
\$7,500 to \$8,999	15	1,766	2,271,442		\$ 330	\$ 582,780		738,200	644	1,137,304	-106 <sup>3</sup>	-186,842 <sup>3</sup>
\$9,000 to \$11,999	16	1,884	2,423,280		760	1,431,840		787,500	506	953,304	-398 <sup>3</sup>	-749,364 <sup>3</sup>
\$12,000 and up	17	2,001	2,573,859		1,750	3,501,750		836,450	0	0	-881 <sup>3</sup>	-1,764,341 <sup>3</sup>
Total	100	11,774	\$ 15,145,060			\$5,516,370		\$ 4,921,500		\$ 6,033,820		\$ 1,373,917

<sup>1</sup> 95% commuters, 5% residents

<sup>2</sup> 68% males, 32% females

<sup>3</sup> Not included in total, contributions exceed costs for this interval

TABLE 17  
ESTIMATED FINANCIAL NEED AT  
BLACK TWO-YEAR PUBLIC COLLEGES  
WITH 1007 BOG PROGRAM FUNDING

Enrollment Distribution by Parental Income			Student Costs		Parental Contribution		Student Self-Help		BOG's as Financial Aid		Additional Aid Required	
Income Level	% Dist.	# of Students	Total for Commuters & Residents		Per Student	Total	Per Student	Total	Per Student	Total	Per Student	Total
Less than \$3,000	36	809	\$	852,348				\$ 323,650	\$ 524	\$ 423,916	\$ 130	\$ 104,782
\$3,000 to \$5,999	35	786		829,136				314,400	524	411,864	130	102,872
\$6,000 to \$7,499	14	315		332,596				126,050	524	165,060	130	41,486
\$7,500 to \$8,999	9	202		212,424	\$ 330	\$ 66,660		80,800	524	105,848	-202 <sup>3</sup>	-40,884 <sup>3</sup>
\$9,000 to \$11,999	5	112		120,172	760	85,120		44,800	292	32,704	-379 <sup>3</sup>	-42,452 <sup>3</sup>
\$12,000 and up	1	22		23,212	1,620	35,640		8,800	0	0	-964 <sup>3</sup>	-21,228 <sup>3</sup>
Total	100	2,246	\$	2,369,888		\$ 187,420		\$ 898,500		\$1,139,392		\$ 249,140

<sup>1</sup> 92% commuters, 8% residents

<sup>2</sup> 50% male, 50% female

<sup>3</sup> Not included in total, contributions exceed costs at these intervals



TABLE 18  
ESTIMATED FINANCIAL NEED AT  
WHITE TWO-YEAR NON-PUBLIC COLLEGES  
WITH 100% BOG PROGRAM FUNDING

Enrollment Distribution by Parental Income		Student Costs		Parental Contribution		Student Self-Help		BOG's as Financial Aid		Additional Aid Required	
Income Level	% Dist.	# of Students	Total for Commuters & Residents	Per Student	Total	Per Student	Total	Per Student	Total	Per Student	Total
Less than \$3,000	4	52	\$ 107,770			\$ 21,700	\$ 53,924	\$ 618	\$ 32,146		
\$3,000 to \$5,999	11	144	298,440			60,200	149,328	612	88,912		
\$6,000 to \$7,499	8	105	219,685			43,850	108,885	638	66,950		
\$7,500 to \$8,999	8	105	219,685	\$ 330	\$ 34,650	43,850	103,845	356	37,340		
\$9,000 to \$11,999	23	301	625,895	760	228,760	125,850	192,640	261	78,645		
\$12,000 and up	46	601	1,247,645	1,880	1,129,880	251,250	0	-222 <sup>3</sup>	-133,485 <sup>3</sup>		
Total	100	1,308	\$ 2,719,120		\$1,393,290	\$ 546,700	\$ 608,622		\$ 303,993		

<sup>1</sup> 50% commuters, 50% residents

<sup>2</sup> 68% male, 32% female

<sup>3</sup> Not included in total, contributions exceed costs at this interval

A fully funded BOG Program would provide an estimated \$47,488,890 of financial aid to students at Alabama colleges and universities and would reduce the estimated student financial need in the State from \$68,126,517 to \$21,718,722. Table 19 summarizes the seven tables on the preceding pages to indicate the total amount of BOG grants which would be available under full funding and the remaining financial need at the seven types of colleges in the State.

It should be noted that not all of the BOG funds which would be available to students under the provisions of the BOG Program are considered applicable to the reduction of total financial need in the State. This is because the BOG Program defines "need" differently than it has been defined in the previous financial aid study and in the preceding section of this report. The BOG definition of need is college costs minus expected parental contribution; the definition used in analyses of financial aid in this and the previous report is college costs minus expected parental and student contributions. Under the BOG definition of need, financial aid would be available to students at certain types of colleges in income intervals for which expected parental and student contributions exceed college costs. The BOG funds which would be available under the BOG definition of need to students who were not described under this and the previous study's definition of need cannot be considered to affect the estimate of financial need developed in these studies.

TABLE 19  
EFFECT OF BOG PROGRAM (FULLY FUNDED) ON  
ESTIMATED FINANCIAL NEED, BY COLLEGE TYPES

<u>College Type</u>	<u>Estimated Financial Need</u>	<u>BOG Financial Aid (Fully Funded)</u>	<u>Financial Need Remaining</u>
White 4-year Publics	\$35,488,882	\$25,306,304	\$10,182,578
Black 4-year Publics	4,340,862	3,263,600	1,148,653*
White 4-year Non-Publics	6,434,590	3,279,652	3,154,938
Black 4-year Non-Publics	13,163,093	7,857,500	5,305,593
White 2-year Publics	6,471,531	6,033,820	1,373,917*
Black 2-year Publics	1,314,944	1,139,392	249,140*
White 2-year Non-Publics	912,615	608,622	303,993
	<u>\$68,126,517</u>	<u>\$47,488,890</u>	<u>\$21,718,722</u>

\*Does not equal the difference between the figures in the preceding two columns because part of the BOG financial aid at this college type would be available to students in income intervals for which expected parental and expected student contributions exceed costs of attendance.

The following provisions have been included in the section of the Higher Education Act of 1972 which established the Basic Educational Opportunity Grant Program to adjust the basic grant amounts when "during any period of any fiscal year, the funds available for payments...are insufficient to satisfy fully all entitlements..."<sup>9</sup>

...the amount paid with respect to each such entitlement shall be--

(I) in the case of any entitlement which exceeds \$1,000, 75 per centum thereof;

(II) in the case of any entitlement which exceeds \$800 but does not exceed \$1,000, 70 per centum thereof;

(III) in the case of any entitlement which exceeds \$600 but does not exceed \$800, 65 per centum thereof; and

(IV) in the case of any entitlement which does not exceed \$600, 50 per centum thereof.

<sup>9</sup> See Appendix A for a full description of these provisions.

In addition to these adjustments the following limits also apply: No payment shall be made "if the amount of such payment after application of the provisions...is less than \$50". No payment shall "exceed 50 per centum of the difference between the expected family contribution for that student and the actual cost of attendance at the institution in which the student is enrolled" /BOG definition of need "unless sums available for making payments...equal more than 75 per centum of the total amount to which all students are entitled" under the BOG Program "in which case no basic grant shall exceed 60 per centum of such difference" (i.e., 60 percent of need as defined by BOG Program).

The effect which a less than fully funded, but at least 75 percent funded BOG Program would have, on financial need at Alabama colleges and universities is computed in Tables 20 through 26. The grant amounts which would be available under this level of funding have been adjusted according to the above provisions at each income level for each college type in the State. See Appendix B for a summary and an example of the procedure for calculating basic grants under the provisions of 75 percent funding.

TABLE 20  
ESTIMATED FINANCIAL NEED AT  
WHITE FOUR-YEAR PUBLIC COLLEGES  
WITH 75% - 99% BOG PROGRAM FUNDING

Enrollment Distribution by Parental Income		Student Costs		Parental Contribution		Student Self-Help		BOG's as Financial Aid		Additional Aid Required	
Income Level	% Dist.	# of Students	Total for Commuters & Residents	Per Student	Total	Per Student	Total	Per Student	Total	Per Student	Total
Less than \$3,000	7	3,194	\$ 6,330,406		\$ 1,545,850	\$729	\$ 2,328,426	\$769	\$ 2,456,130		
\$3,000 to \$5,999	14	6,389	12,662,897		3,092,325	729	4,657,581	769	4,912,991		
\$6,000 to \$7,499	9	4,107	8,139,987		1,987,775	729	2,994,993	769	3,158,209		
\$7,500 to \$8,999	13	5,932	11,757,064	\$ 330	\$ 1,957,560	729	4,324,428	439	2,603,976		
\$9,000 to \$11,999	20	9,127	18,089,233	760	6,936,520	416	3,796,832	322	2,938,406		
\$12,000 and up	37	16,884	33,463,374	1,880	31,741,920	0	0	-382 <sup>3</sup>	-6,450,446 <sup>3</sup>		
Total	100	45,633	\$ 90,442,961		\$40,636,000		\$18,101,270		\$17,387,612 <sup>4</sup>		

<sup>1</sup> 32% commuters, 68% residents

<sup>3</sup> Not included in total, contributions exceed costs for 10% interval

<sup>2</sup> 59% male, 41% female

<sup>4</sup> Included in total, \$1,317,900 for out-of-state fees

TABLE 21  
ESTIMATED FINANCIAL NEED AT  
BLACK FOUR-YEAR PUBLIC COLLEGES  
WITH 75% - 99% BOG PROGRAM FUNDING

<u>Enrollment Distribution</u> <u>by Parental Income</u>		<u>Student Costs</u>		<u>Parental Contribution</u>		<u>Student Self-Help</u>		<u>BOG's as Financial Aid</u>		<u>Additional Aid Required</u>	
<u>Income Level</u>	<u>% Dist.</u>	<u># of Students</u>	<u>Total for Commuters &amp; Residents</u>	<u>Per Student</u>	<u>Total</u>	<u>Per Student</u>	<u>Total</u>	<u>Per Student</u>	<u>Total</u>	<u>Per Student</u>	<u>Total</u>
Less than \$3,000	40	1,764	\$ 2,681,766		\$ 825,600	\$522	\$ 920,808	\$530	\$ 935,358		
\$3,000 to \$5,999	37	1,632	2,481,108		763,800	522	851,904	530	865,404		
\$6,000 to \$7,499	11	485	738,774		227,025	522	253,170	530	258,579		
\$7,500 to \$8,999	6	265	402,920	\$ 330	\$ 87,450	522	138,330	200	53,115		
\$9,000 to \$11,999	4	176	267,454	760	133,760	394	69,344	-103 <sup>3</sup>	-18,050 <sup>3</sup>		
\$12,000 and up	2	88	133,862	1,620	142,560	0	0	-567 <sup>3</sup>	-49,898 <sup>3</sup>		
<b>Total</b>	<b>100</b>	<b>4,410</b>	<b>\$ 6,705,884</b>		<b>\$ 363,770</b>		<b>\$ 2,233,556</b>		<b>\$ 2,125,356<sup>4</sup></b>		

<sup>1</sup> 31% commuters, 69% residents

<sup>3</sup> Not included in total, contributions exceed costs for this interval

<sup>2</sup> 43% male, 57% female

<sup>4</sup> Included in total, \$12,900 for out-of-state fees

TABLE 22  
ESTIMATED FINANCIAL NEED AT  
WHITE FOUR-YEAR NON-PUBLIC COLLEGES  
WITH 75% - 99% BOC PROGRAM FUNDING

Enrollment Distribution by Parental Income			Student Costs		Parental Contribution		Student Self-Help		BOC's as Financial Aid		Additional Aid Required	
Income Level	% Dist.	# of Students	Total for Computers & Residents		Per Student	Total	Per Student	Total	Per Student	Total	Per Student	Total
Less than \$3,000	5	296	\$ 769,092						\$959	\$ 283,864	\$ 1,159	\$ 343,128
\$3,000 to \$5,999	12	710	1,844,892						959	680,890	1,159	823,152
\$6,000 to \$7,499	8	473	1,229,154						959	453,607	1,159	548,522
\$7,500 to \$8,999	10	591	1,538,748		\$ 330	\$ 195,030			803	474,573	991	585,470
\$9,000 to \$11,999	20	1,183	3,074,046		760	899,080			416	492,128	942	1,114,963
\$12,000 and up	45	2,661	6,914,298		1,880	5,002,680			0	0	238	634,293
Total	100	5,914	\$15,370,230			\$ 6,096,790				\$ 2,385,062		\$ 4,049,528

<sup>1</sup> 51% commuters, 49% residents

<sup>2</sup> 55% males, 45% females

TABLE 23  
ESTIMATED FINANCIAL NEED AT  
BLACK FOUR-YEAR NON-PUBLIC COLLEGES  
WITH 75% - 99% BOC PROGRAM FUNDING

Enrollment Distribution by Parental Income		Student Costs		Parental Contribution		Student Self-Help		BOG's as Financial Aid		Additional Aid Required	
Income Level	% Dist.	# of Students	Total for Computers & Residents <sup>1</sup>	Per Student	Total	Per Student	Total <sup>2</sup>	Per Student	Total	Per Student	Total
Less than \$3,000	33	2,182	\$ 5,674,998			\$976	\$ 1,027,750	\$976	\$ 2,129,632	\$1,154	\$ 2,517,616
\$3,000 to \$5,999	34	2,248	5,846,547			976	1,058,800	976	2,194,048	1,154	2,593,699
\$6,000 to \$7,499	13	860	2,236,749			976	405,100	976	839,360	1,154	992,289
\$7,500 to \$8,999	9	595	1,547,466	\$ 330	\$ 196,350	803	280,275	803	477,785	997	593,056
\$9,000 to \$11,999	8	529	1,375,917	760	402,040	416	249,125	416	220,064	954	504,688
\$12,000 and up	3	198	514,866	1,620	320,760	0	93,250	0	0	509	100,856
Total	100	6,612	\$17,196,543		\$ 919,150		\$ 3,114,300		\$ 5,860,889		\$ 7,302,204

<sup>1</sup> 22% commuters, 78% residents

<sup>2</sup> 46% males, 54% females



TABLE 24  
ESTIMATED FINANCIAL NEED AT  
WHITE TWO-YEAR PUBLIC COLLEGES  
WITH 75% - 99% BOG PROGRAM FUNDING

Enrollment Distribution \$ by Parental Income		Student Costs		Parental Contribution		Student Self-Help		BOG's as Financial Aid		Additional Aid Required	
Income Level	% Dist.	# of Students	Total for Commuters & Residents <sup>1</sup>	Per Student	Total	Per Student	Total <sup>2</sup>	Per Student	Total	Per Student	Total
Less than \$3,000	12	1,413	\$ 1,817,733				\$ 590,650	\$404	\$ 570,852	\$464	\$ 656,231
\$3,000 to \$5,999	20	2,355	3,029,373				984,350	404	951,420	464	1,093,603
\$6,000 to \$7,499	20	2,355	3,029,373				984,350	404	951,420	464	1,093,603
\$7,500 to \$8,999	15	1,766	2,271,442	\$ 330	\$ 582,780		738,200	404	713,464	134	236,998
\$9,000 to \$11,999	16	1,884	2,423,280	760	1,431,840		787,500	306	576,504	-198 <sup>3</sup>	-372,564 <sup>3</sup>
\$12,000 and up	17	2,001	2,573,859	1,750	3,501,750		836,450	0	0	-881 <sup>3</sup>	-1,764,341 <sup>3</sup>
Total	100	11,774	\$ 15,145,060		\$5,516,370		\$ 4,921,500		\$3,763,660		\$3,080,435

<sup>1</sup> 95% commuters, 5% residents

<sup>2</sup> 68% males, 32% females

<sup>3</sup> Not included in total, contributions exceed costs for this interval

TABLE 25  
ESTIMATED FINANCIAL NEED AT  
BLACK TWO-YEAR PUBLIC COLLEGES  
WITH 75% - 99% BOG PROGRAM FUNDING

Enrollment Distribution by Parental Income			Student Costs		Parental Contribution		Student Self-Help		BOG's as Financial Aid		Additional Aid Required	
Income Level	% Dist.	# of Students	Total for Commuters & Residents <sup>1</sup>		Per Student	Total	Per Student	Total <sup>2</sup>	Per Student	Total	Per Student	Total
Less than \$3,000	36	809	\$ 852,348					\$ 323,650	\$271	\$ 219,239	\$383	\$ 309,459
\$3,000 to \$5,999	35	786	829,136					314,400	271	213,006	383	301,730
\$6,000 to \$7,499	14	315	332,596					126,050	271	85,365	383	121,181
\$7,500 to \$8,999	9	202	212,424		\$330	\$ 66,660		80,800	271	54,742	51	10,222
\$9,000 to \$11,999	5	112	120,172		760	85,120		44,800	146	16,352	-233 <sup>3</sup>	-26,100 <sup>3</sup>
\$12,000 and up	1	22	23,212		1,620	35,640		8,800	0	0	-965 <sup>3</sup>	-21,228 <sup>3</sup>
Total	100	2,246	\$ 2,369,888			\$ 187,420		\$ 898,500		\$ 588,704		\$ 742,592

<sup>1</sup>92% commuters, 8% residents

<sup>2</sup>50% males, 50% females

<sup>3</sup>Not included in total, contributions exceed costs at these intervals

TABLE 26  
ESTIMATED FINANCIAL NEED AT  
WHITE TWO-YEAR NON-PUBLIC COLLEGES  
WITH 75% - 99% BOG PROGRAM FUNDING

Enrollment Distribution by Parental Income			Student Costs		Parental Contribution		Student Self-Help		BOG's as Financial Aid		Additional Aid Required	
Income Level	% Dist.	# of Students	Total for Commuters & Residents		Per Student	Total	Per Student	Total	Per Student	Total	Per Student	Total
Less than \$3,000	4	52	\$ 107,770									
\$3,000 to \$5,999	11	144	298,440			\$ 21,700		\$ 39,260		\$ 46,810		
\$6,000 to \$7,499	8	105	219,685			60,200		108,720		129,520		
\$7,500 to \$8,999	8	105	219,685		\$330	43,850		79,275		96,560		
\$9,000 to \$11,999	23	301	625,895		760	43,850		75,600		65,585		
\$12,000 and up	46	601	1,247,645		1,880	125,850		125,216		146,069		
Total	100	1,308	\$ 2,719,120			251,250		0		-222 <sup>3</sup>		
			\$ 1,393,290			\$ 546,700		\$ 428,071		\$ 484,544		

<sup>1</sup> 50% commuters, 50% residents

<sup>3</sup> Not included in total, contributions exceed costs at this interval

<sup>2</sup> 68% males, 32% females

A less than full but at least 75 percent funded BOG Program would reduce financial need at Alabama colleges and universities from an estimated \$68,126,517 to \$35,172,271. Table 27 summarizes the seven tables on the preceding pages to indicate the estimated total amount of BOG grants which would be available at this level of funding and the remaining financial need at the seven types of colleges in the State. As noted earlier not all of the BOG funds which would be available under these provisions are considered applicable to the reduction of total financial need in the State.

TABLE 27  
EFFECT OF BOG PROGRAM (75%-99% FUNDED)  
ON ESTIMATED FINANCIAL NEED, BY COLLEGE TYPE

<u>College Type</u>	<u>Estimated Financial Need</u>	<u>BOG Financial Aid (75%-99% Funded)</u>	<u>Financial Need Remaining</u>
White 4-year Publics	\$35,488,882	\$18,101,270	\$17,387,612
Black 4-year Publics	4,340,862	2,233,556	2,125,356*
White 4-year Non-Publics	6,434,590	2,385,062	4,049,528
Black 4-year Non-Publics	13,163,093	5,860,889	7,302,204
White 2-year Publics	6,471,531	3,763,660	3,080,435
Black 2-year Publics	1,314,944	588,704	742,592*
White 2-year Non-Publics	912,615	428,071	484,544
	<u>\$68,126,517</u>	<u>\$33,361,212</u>	<u>\$35,172,271</u>

\*Does not equal the difference between the figures in the preceding two columns because part of the BOG financial aid at this college type would be available to students in income intervals for which expected parental and student contributions exceed costs of attendance.

A BOG Program which is less than 75 percent funded but which is sufficiently funded to make the adjusted grant payments (75% of all entitlements of more than \$1,000, 70% of all \$801-\$1,000 entitlements, etc.) limits the basic grant amount to a maximum of 50 percent of the applicants need (as defined by BOG).

When this 50 percent of need limit is included in the calculations of total BOG funds which would be available at Alabama colleges and universities (calculations not shown), little difference exists between the derived estimates and the estimates of total BOG funds derived from calculations using the 60 percent of need limit for a BOG Program 75%-99% funded. The estimated amount of BOG funds available under a 75%-99% funded BOG Program would be reduced an estimated \$93,600 when the 50 percent of need limit is applied for a less than 75 percent funded program. The 50 percent of need limit would effect a reduction of grant amounts to students in only one income interval (\$9,000 to \$11,999) at two types of colleges (black four-year public and white two-year public).

Table 28 shows the estimated total amount of BOG grants which would be available with a BOG Program which is less than 75 percent funded and the remaining financial need at the seven types of colleges and universities in Alabama. It should be noted that the estimate of financial need remaining in the State with a less than 75 percent funded BOG Program is the same as the estimate of remaining financial need with a 75%-99% funded BOG Program.

TABLE 28  
EFFECT OF BOG PROGRAM (LESS THAN 75% FUNDED)  
ON ESTIMATED FINANCIAL NEED, BY COLLEGE TYPES

<u>College Type</u>	<u>Estimated Financial Need</u>	<u>BOG FINANCIAL AID (Less than 75% Funded)</u>	<u>Financial Need Remaining</u>
White 4-year Publics	\$35,488,882	\$18,101,270	\$17,387,612
Black 4-year Publics	4,340,862	2,230,388	2,125,356*
White 4-year Non-Publics	6,434,590	2,385,062	4,049,528
Black 4-year Non-Publics	13,163,093	5,860,889	7,302,204
White 2-year Publics	6,471,531	3,673,228	3,080,435*
Black 2-year Publics	1,314,944	588,704	742,592*
White 2-year Non-Publics	912,615	428,071	484,544
	<u>\$68,126,517</u>	<u>\$33,267,612</u>	<u>\$35,172,271</u>

\*Does not equal the difference between the figures in the preceding two columns because part of the BOG financial aid at this college type would be available to students in income intervals for which expected parental and student contributions exceed costs of attendance.

This is because the particular income interval at the two particular types of colleges affected by the 50 percent of need limit was not included in the original calculation of financial need in the State. Any change in grant amounts to students in this interval at these college types would not change the estimate of financial need.

A final provision for reduced grant amounts is included in Public Law 92-318 "in the event" that funds are insufficient to make the adjustment payments described above to all entitlements. Whatever the ratio between the total funds which are available and the total funds which are necessary to pay the adjusted amounts to all entitlements, that ratio is applied to each adjusted grant amount. (For example, if the basic grant for which a student would be eligible were \$1,048 under full funding, \$781 under 75%-99% funding, and \$781 under less than 75% funding, and if the total funds available for the BOG Program were 65 percent of the total necessary to pay adjusted grant amounts to all entitlements, then, the student would receive \$508 (65% of his adjusted amount)).

Speculation about financial aid which would be available to Alabama students through a BOG Program funded at a level requiring the implementation of the above provision is not productive because what ratio would be applied to each of the adjusted grants is contingent upon the total dollar amount appropriated for the BOG Program and the total dollar amount of entitlements nationally in the same fiscal year as the appropriation.

It should be apparent from the estimates presented in this section that the BOG Program, when funded, will dramatically reduce student financial need at Alabama colleges and universities. A fully funded BOG Program would reduce total student financial need from an estimated \$68,126,517 to \$21,718,722. A 75%-99% funded BOG Program would reduce the total need to \$35,172,271.

A less than 75 percent funded Program limiting grant amounts to 50 percent of need maximum would continue student financial need at \$35,172,271.

Table 29 summarizes the estimates developed in this section of financial aid that would be available through the Basic Educational Opportunity Program under three different funding levels and the respective provisions for grant amounts.

TABLE 29  
ESTIMATED TOTAL AMOUNT OF BOG FINANCIAL  
AID AVAILABLE, BY COLLEGE TYPES  
(THREE BOG FUNDING LEVELS)

College Type	Financial Aid Available When BOG Program is		
	Fully Funded	75%-99% Funded	Less than 75% Funded
White 4-year Publics	\$25,306,304	\$18,101,270	\$18,101,270
Black 4-year Publics	3,262,600	2,233,556	2,230,308
White 4-year Non Publics	3,279,652	2,385,062	2,385,062
Black 4-year Non Publics	7,857,500	5,860,889	5,860,889
White 2-year Publics	6,033,820	3,763,660	3,673,228
Black 2-year Publics	1,139,392	588,704	588,704
White 2-year Non-Publics	608,622	428,071	428,071
	<u>\$47,488,890</u>	<u>\$33,361,212</u>	<u>\$33,267,612</u>

Table 30 summarizes the effect of the estimates of financial aid summarized in Table 29 on financial need at the seven types of Alabama colleges.

TABLE 30  
EFFECT OF BOG PROGRAM ON ESTIMATED  
FINANCIAL NEED, BY COLLEGE TYPES  
(THREE BOG FUNDING LEVELS)

College Type	Estimated Financial Need	(A)	(B)	(C)
White 4-year Publics	\$35,488,882	\$10,182,578	\$17,387,612	\$17,387,612
Black 4-year Publics	4,340,862	1,148,563	2,125,356	2,125,356
White 4-year Non-Publics	6,434,590	3,154,938	4,049,528	4,049,528
Black 4-year Non-Publics	13,163,093	5,305,593	7,302,204	7,302,204
White 2-year Publics	6,471,531	1,373,917	3,080,435	3,080,435
Black 2-year Publics	1,314,944	249,140	742,592	742,592
White 2-year Non-Publics	912,615	303,993	484,544	484,544
	<u>\$68,126,517</u>	<u>\$21,718,722</u>	<u>\$35,172,271</u>	<u>\$35,172,271</u>

- (A) Remaining financial need with 100% BOG funding  
(B) Remaining financial need with 75%-99% BOG funding  
(C) Remaining financial need with less than 75% BOG funding

The BOG Program's impact on financial need is greatest at those institutions with the highest costs and at the lower income intervals. Tables 31 and 32 show how the proportions of BOG Program monies would be distributed among colleges and among income intervals under the various funding conditions.

TABLE 31  
DISTRIBUTION OF BOG FUNDS, BY COLLEGE TYPES  
(THREE FUNDING CONDITIONS)

<u>College Type</u>	<u>Full Funding</u>	<u>75%-99% Funding</u>	<u>Less Than 75% Funding</u>
White 4-year Publics	53.3	54.3	54.4
Black 4-year Publics	6.9	6.7	6.7
White 4-year Non-Publics	6.9	7.0	7.2
Black 4-year Non-Publics	16.5	17.6	17.6
White 2-year Publics	12.7	11.3	11.0
Black 2-year Publics	2.4	1.8	1.8
White 2-year Non-Publics	1.3	1.3	1.3
	<u>100%</u>	<u>100%</u>	<u>100%</u>

TABLE 32  
DISTRIBUTION OF BOG FUNDS, BY INCOME INTERVALS  
(THREE FUNDING CONDITIONS)

<u>Income Interval</u>	<u>Full Funding</u>	<u>75%-99% Funding</u>	<u>Less Than 75% Funding</u>
Less than \$3,000	19.2	19.5	19.5
\$3,000 to \$5,999	28.4	28.9	29.0
\$6,000 to \$7,499	16.8	16.9	17.0
\$7,500 to \$8,999	18.3	18.8	18.8
\$9,000 to \$11,000	17.3	15.9	15.6
	<u>100%</u>	<u>100%</u>	<u>100%</u>



ESTIMATED AVAILABLE FINANCIAL AID  
AT ALABAMA COLLEGES AND UNIVERSITIES, 1972-73

In order to fully evaluate the potential effect of the Basic Educational Opportunity Grant Program on total student financial need in Alabama, it is necessary to consider the combined total amount of aid that would be available to students from the BOG Program and currently available aid at Alabama colleges and universities. The difference between the estimate of combined total available aid (BOG funds and currently available aid at Alabama colleges) and the estimate of financial need developed in the first section of this report would be then the amount of unmet student financial need persisting in the State.

In the previous financial aid study, A Study of Undergraduate Student Financial Aid in Alabama, 1970-71, sources and amounts of financial aid available to students at Alabama colleges and universities were identified. In that study, those funds which are generally available to undergraduates, i.e., unrestricted funds based upon need, and over which colleges exercise control, were estimated.

The estimate of generally available financial aid at Alabama colleges and universities in 1972-73 made in this earlier report was 17.4 million dollars. The bases of that estimate were (1) estimates by financial aid officers in their 1972 APPLCN'S of generally available college funds and (2) information from the U. S. Office of Education on the amount of 1970-71 Federal capital contributions to Alabama colleges from the Educational Opportunity Grant Program, the College-Work Study Program, and the National Defense Student Loan Program (generally available Federal funds).

Information on the amounts of 1972-73 Federal capital contributions to Alabama colleges and universities through the EOG, CWS, and NDSL Programs is now available from the U. S. Office of Education, Regional Office in Atlanta, Georgia. The estimate of generally available financial aid in this report is adjusted to reflect this information. Table 33 presents the 1972-73 allocations to Alabama colleges and universities from these Federal programs.

TABLE 33  
FEDERAL CAPITAL CONTRIBUTIONS, 1972-73,  
BY COLLEGE TYPES (IN MILLIONS OF DOLLARS)

<u>College Type</u>	<u>Amount</u>
White 4-year Publics	5.82
Black 4-year Publics	1.55
White 4-year Non-Publics	.76
Black 4-year Non-Publics	3.91
White 2-year Publics	1.14
Black 2-year Publics	.24
White 2-year Non-Publics	.12
	<u>13.54</u>

Table 34 presents the revised estimate of available 1972-73 financial aid at Alabama colleges and universities using the estimates of generally available college funds from the earlier study and the amounts of generally available Federal funds shown in Table 33.

TABLE 34  
ESTIMATED FINANCIAL AID GENERALLY AVAILABLE  
FROM ALABAMA COLLEGES, 1972-73,  
BY COLLEGE TYPES (IN MILLIONS OF DOLLARS)

<u>College Type</u>	<u>Amount</u>
White 4-year Publics	8.23
Black 4-year Publics	1.78
White 4-year Non-Publics	1.25
Black 4-year Non-Publics	5.53
White 2-year Publics	1.24
Black 2-year Publics	.29
White 2-year Non-Publics	.20
	<u>18.52</u>

Table 35 shows the amount of unmet student financial need estimated in the State, by college types, under current conditions of generally available financial aid, i.e., BOG funds not included.

TABLE 35  
ESTIMATED FINANCIAL NEED AND  
ESTIMATED GENERALLY AVAILABLE FINANCIAL AID  
IN 1972-73, BOG'S NOT INCLUDED, BY COLLEGE TYPES  
(IN MILLIONS OF DOLLARS)

<u>College Type</u>	<u>Financial Need</u>	<u>Generally Available Aid</u>	<u>Unmet Need</u>
White 4-year Publics	35.49	8.23	27.27
Black 4-year Publics	4.34	1.78	2.56
White 4-year Non-Publics	6.43	1.25	5.18
Black 4-year Non-Publics	13.16	5.53	7.63
White 2-year Publics	6.47	1.24	5.23
Black 2-year Publics	1.31	.29	1.02
White 2-year Non-Publics	.91	.20	.71
	<u>68.11</u>	<u>18.52</u>	<u>49.59</u>

Table 36 includes the BOG funds (three funding levels) in the financial aid to be considered available to meet the financial needs of students at the seven types of colleges in Alabama.

TABLE 36  
EFFECT OF BOG PROGRAM (THREE FUNDING LEVELS)  
ON ESTIMATED UNMET FINANCIAL NEED,  
BY COLLEGE TYPES (IN MILLIONS OF DOLLARS)

<u>College Type</u>	<u>Unmet Financial Need Under Current Aid Available</u>	(A)	(B)	(C)
White 4-year Publics	27.27	1.95	9.16	9.16
Black 4-year Publics	2.56	.63*	.35	.35
White 4-year Non-Publics	5.18	1.90	2.80	2.80
Black 4-year Non-Publics	7.63	.22*	1.77	1.77
White 2-year Publics	5.23	.13	1.84	1.84
Black 2-year Publics	1.02	.04*	.45	.45
White 2-year Non-Publics	.71	.10	.28	.28
	<u>49.59</u>	<u>4.08</u>	<u>16.65</u>	<u>16.65</u>

- (A) Remaining unmet financial need with 100% BOG funding  
(B) Remaining unmet financial need with 75%-99% BOG funding  
(C) Remaining unmet financial need with less than 75% BOG funding

\* In excess

A fully funded BOG Program providing an estimated 47.49 million dollars would reduce the estimated unmet student financial need in the State from 49.59 million dollars to an estimated 4.08 million dollars. A 75%-99% funded BOG Program would reduce the estimated unmet financial need in the State to an estimated 16.65 million dollars by providing an estimated 33.36 million dollars. A less than 75 percent funded Program limiting grant amounts to a 50 percent of need maximum would also reduce unmet need in the State to an estimated 16.65 million dollars. (There is no difference between the estimated unmet financial need remaining in the State when the BOG Program is less than 75 percent funded and when it is 75%-99% funded, because, as noted in the previous section, the loss of funds under the provisions of the less than 75 percent funding level affects only the grant amounts of students who were not included in this study's original estimate of financial need.)

## SUMMARY

The purpose of this report was to estimate the potential effect of a fully and partially funded Basic Educational Opportunity Grant Program on the financial needs and unmet financial needs of currently enrolled undergraduates at Alabama colleges and universities. It should be readily apparent from the preceding that a fully-funded or partially-funded BOG Program would, indeed, have a dramatic impact on current financial needs and unmet financial needs in the State. A fully-funded Basic Educational Opportunity Grant Program would reduce the estimated financial needs at Alabama colleges and universities to 27.71 million dollars and the unmet financial needs to an estimated 4.08 million dollars. A partially but sufficiently funded BOG Program to make a major proportion of the grant amounts anticipated in the Program would reduce estimated financial needs in the State to 35.17 million dollars and the unmet financial needs to an estimated 16.65 million dollars.

The remaining questions are: When will the Basic Educational Opportunity Grant Program be funded? To what extent will it be funded? Answers to these questions have not been determined and are beyond to the scope of this report. There is, however, reason to believe that a fully-funded BOG Program within the near future is unlikely.

APPENDIX A

Public Law 92-318  
92nd Congress, S.659  
June 23, 1972

"BASIC EDUCATIONAL OPPORTUNITY GRANTS: AMOUNT AND  
DETERMINATIONS; APPLICATIONS

"Sec. 411. (a) (1) The Commissioner shall, during the period beginning July 1, 1972, and ending June 30, 1975, pay to each student who has been accepted for enrollment in, or is in good standing at, an institution of higher education (according to the prescribed standards, regulations, and practices of that institution) for each academic year during which that student is in attendance at that institution, as an undergraduate, a basic grant in the amount for which that student is eligible, as determined pursuant to paragraph (2).

Student  
payments.

"(2) (A) (i) The amount of the basic grant for a student eligible under this subpart for any academic year shall be \$1,400 less an amount equal to the amount determined under paragraph (3) to be the expected family contribution with respect to that student for that year.

Basic grant  
formula.

"(ii) In any case where a student attends an institution of higher education on less than a full-time basis during any academic year, the amount of the basic grant to which that student is entitled shall be reduced in proportion to the degree to which that student is not so attending on a full-time basis, in accordance with a schedule of reductions established by the Commissioner for the purposes of this division. Such schedule of reductions shall be established by regulation and published in the Federal Register not later than February 1 of each year.

Publication  
in Federal  
Register.

"(B) (i) The amount of a basic grant to which a student is entitled under this subpart for any academic year shall not exceed 50 per centum of the actual cost of attendance at the institution at which the student is in attendance for that year.

Limitations.

"(ii) No basic grant under this subpart shall exceed the difference between the expected family contribution for a student and the actual cost of attendance at the institution at which that student is in attendance. If with respect to any student, it is determined that the amount of a basic grant plus the amount of the expected family contribution for that student exceeds the actual cost of attendance for that year, the amount of the basic grant shall be reduced until the combination of expected family contribution and the amount of the basic grant does not exceed the actual cost of attendance at such institution.

"(iii) No basic grant shall be awarded to a student under this subpart if the amount of that grant for that student as determined under this paragraph for any academic year is less than \$200. Pursuant to criteria established by the Commissioner by regulation, the institution of higher education at which a student is in attendance may award a

basic grant of less than \$200 upon a determination that the amount of the basic grant for that student is less than \$200 because of the requirement of division (i) and that, due to exceptional circumstances, this reduced grant should be made in order to enable the student to benefit from postsecondary education.

"Actual cost of attendance." "(iv) For the purpose of this subparagraph and subsection (b) the term 'actual cost of attendance' means, subject to regulations of the Commissioner, the actual per-student charges for tuition, fees, room and board (or expenses related to reasonable commuting), books, and an allowance for such other expenses as the Commissioner determines by regulation to be reasonably related to attendance at the institution at which the student is in attendance.

Publication in Federal Register. "(3)(A)(i) Not later than February 1 of each year the Commissioner shall publish in the Federal Register a schedule of expected family contributions for the succeeding academic year for various levels of family income, which, except as is otherwise provided in division (ii), together with any amendments thereto, shall become effective July 1 of that year. During the thirty-day period following such publication the Commissioner shall provide interested parties with an opportunity to present their views and make recommendations with respect to such schedule.

Effective date. Submittal to Congress. "(ii) The schedule of expected family contributions required by division (i) for each academic year shall be submitted to the President of the Senate and the Speaker of the House of Representatives not later than February 1 of that year. If either the Senate or the House of Representatives adopts, prior to May 1 of such year, a resolution of disapproval of such schedule, the Commissioner shall publish a new schedule of expected family contributions in the Federal Register not later than fifteen days after the adoption of such resolution of disapproval. Such new schedule shall take into consideration such recommendations as may be made in connection with such resolution and shall become effective, together with any amendments thereto, on July 1 of that year.

Publication in Federal Register. "Family contribution." "(B)(i) For the purposes of this paragraph and subsection (b), the term 'family contribution' with respect to any student means the amount which the family of that student may be reasonably expected to contribute toward his postsecondary education for the academic year for which the determination under subparagraph (A) of paragraph (2) is made, as determined in accordance with regulations. In promulgating such regulations, the Commissioner shall follow the basic criteria set forth in division (ii) of this subparagraph.

Regulations, criteria. "(ii) The basic criteria to be followed in promulgating regulations with respect to expected family contribution are as follows:

"(I) The amount of the effective income of the student or the effective family income of the student's family.

"(II) The number of dependents of the family of the student.

"(III) The number of dependents of the student's family who are in attendance in a program of postsecondary education and for whom the family may be reasonably expected to contribute for their postsecondary education.

"(IV) The amount of the assets of the student and those of the student's family.

"(V) Any unusual expenses of the student or his family, such as unusual medical expenses, and those which may arise from a catastrophe.

"(iii) For the purposes of clause (I) of division (ii), the term 'effective family income' with respect to a student means the annual adjusted family income, as determined in accordance with regulations prescribed by the Commissioner, received by the parents or guardian of that student (or the person or persons having an equivalent relationship to such student) minus Federal income tax paid or payable with respect to such income.

"Effective family income."

"(iv) In determining the expected family contribution with respect to any student, any amount paid under the Social Security Act to, or on account of, the student which would not be paid if he were not a student, and one-half any amount paid the student under chapters 34 and 35 of title 38, United States Code, shall be considered as effective income for such student.

49 Stat. 620.  
42 USC 1305.

80 Stat. 12;  
82 Stat. 1331.

"(C) The Commissioner shall promulgate special regulations for determining the expected family contribution and effective family income of a student who is determined (pursuant to regulations of the Commissioner) to be independent of his parents or guardians (or the person or persons having an equivalent relationship to such student). Such special regulations shall be consistent with the basic criteria set forth in division (ii) of subparagraph (B).

"(4) (A) The period during which a student may receive basic grants shall be the period required for the completion of the undergraduate course of study being pursued by that student at the institution at which the student is in attendance, except that such period may not exceed four academic years unless-

"(i) the student is pursuing a course of study leading to a first degree in a program of study which is designed by the institution offering it to extend over five academic years; or

"(ii) the student is, or will be, unable to complete a course of study within four academic years because of a requirement of the institution of such course of study that the student enroll in a noncredit remedial course of study;

in either which case such period may be extended for not more than one additional academic year.

"(B) For the purposes of clause (ii) of subparagraph (A), a 'non-credit remedial course of study' is a course of study for which no credit is given toward an academic degree, and which is designed to increase the ability of the student to engage in an undergraduate course of study leading to such a degree.

"Noncredit remedial course of study."

"(b) (1) The Commissioner shall from time to time set dates by which students must file applications for basic grants under this subpart.

"(2) Each student desiring a basic grant for any year must file an application therefor containing such information and assurances as the Commissioner may deem necessary to enable him to carry out his functions and responsibilities under this subpart.

"(3) (A) Payments under this section shall be made in accordance with regulations promulgated by the Commissioner for such purpose, in such manner as will best accomplish the purposes of this section.

Payments.

"(B) (i) If, during any period of any fiscal year, the funds available for payments under this subpart are insufficient to satisfy fully all entitlements under this subpart, the amount paid with respect to each such entitlement shall be-

Insufficient available funds, entitlements.



"(I) in the case of any entitlement which exceeds \$1,000, 75 per centum thereof;

"(II) in the case of any entitlement which exceeds \$800 but does not exceed \$1,000, 70 per centum thereof;

"(III) in the case of any entitlement which exceeds \$600 but does not exceed \$800, 65 per centum thereof; and

"(IV) in the case of any entitlement which does not exceed \$600, 50 per centum thereof.

"(ii) If, during any period of any fiscal year, funds available for making payments under this subpart exceed the amount necessary to make the payments prescribed in division (i), such excess shall be paid with respect to each entitlement under this subpart in proportion to the degree to which that entitlement is unsatisfied, after payments are made pursuant to division (i).

Excess funds.

"(iii) In the event that, at the time when payments are to be made pursuant to this subparagraph (B), funds available therefor are insufficient to pay the amounts set forth in division (i), the Commissioner shall pay with respect to each entitlement an amount which bears the same ratio to the appropriate amount set forth in division (i) as the total amount of funds so available at such time for such payments bears to the amount necessary to pay the amounts indicated in division (i) in full.

"(iv) No method of computing or manner of distribution of payments under this subpart shall be used which is not consistent with this subparagraph.

"(v) In no case shall a payment under this subparagraph be made if the amount of such payment after application of the provisions of this subparagraph is less than \$50.

"(C) (i) During any fiscal year in which the provisions of subparagraph (B) apply, a basic grant to any student shall not exceed 50 per centum of the difference between the expected family contribution for that student and the actual cost of attendance at the institution in which the student is enrolled, unless sums available for making payments under this subsection for any fiscal year equal more than 75 per centum of the total amount to which all students are entitled under this subpart for that fiscal year, in which case no basic grant shall exceed 60 per centum of such difference.

"(ii) The limitation set forth in division (i) shall, when applicable, be in lieu of the limitation set forth in subparagraph (B) (i) of subsection (a) (2).

"(4) No payments may be made on the basis of entitlements established under this subpart during any fiscal year ending prior to July 1, 1975, in which-

"(A) the appropriation for making grants under subpart 2 of this part does not at least equal \$130,093,000; and

"(B) the appropriation for work-study payments under section 441 of this title does not at least equal \$237,400,000; and

"(C) the appropriation for capital contributions to student loan funds under part E of this title does not at least equal \$286,000,000.

## APPENDIX B

### BASIC EDUCATIONAL OPPORTUNITY GRANT FORMULAS

In this report, three formulas for BOG funding have been applied to student enrollment, income distribution, and parental contribution data to assess the probable impact of the BOG Program on student financial aid needs at Alabama colleges and universities. The following summarizes and exemplifies the formulas applicable under the three funding levels discussed:

#### Entitlement Under Full Funding

\$1,400 less  
parental contribution

Not to exceed 50% of cost

Not to exceed need

Minimum award of \$200

#### Example

\$1,400  
-600 P.C.  
(\$ 800 eligibility)

\$1,200 cost  
-600 P.C.  
(\$ 600 need)

\$ 600 basic grant  
entitlement

#### Entitlement Under 75%-99% Funding

Entitlement is adjusted:

75% of \$1,000 or more basic grant  
under full funding

70% of \$800-\$999

65% of \$600-\$799

50% of less than \$600

\$600 grant entitlement  
under full funding  
x65%  
\$390 adjusted grant  
eligibility

Not to exceed 60% of need

Minimum award of \$50

\$600 need  
x60%  
\$360 adjusted basic  
grant entitlement

#### Entitlement Under Less Than 75% Funding

Same adjustment ratios as above

\$600 grant entitlement  
under full funding  
x65%  
\$390 adjusted  
eligibility

Not to exceed 50% of need

Minimum award of \$50

\$600 need  
x50%  
\$300 adjusted basic  
grant entitlement

Table B-1  
LESS THAN FULL BOG FUNDING  
BASIC GRANT ADJUSTMENT TABLE

<u>% Adjustment</u>	<u>Entitlement</u>		<u>BG Amount</u>	<u>60% Need Level</u>	<u>50% Need Level</u>
75% of	\$1,400	=	\$1,050	if \$1,755	if \$2,100
	1,300	=	975	1,630	1,950
	1,200	=	900	1,500	1,800
	1,100	=	825	1,380	1,650
	1,000	=	750	1,250	1,500
70% of	900	=	630	1,050	1,260
	800	=	560	935	1,120
65% of	700	=	455	760	910
	600	=	390	650	780
50% of	500	=	250	420	500
	400	=	200	335	400
	300	=	150	250	300
	200	=	100	165	200

E.g. -- Program funding at 75%-99% of total amount to which all students are entitled reduces a basic grant entitlement of \$1,000 to \$750 if the entitled student's need is \$1,250 or more. If his need is less than \$1,250, the grant is reduced to an amount which is 60% of the student's need.

-- If program funding is below 75% of total amount to which all students are entitled, the basic grant amount remains at \$750 if the entitled student's need is \$1,500 or more. If his need is less than \$1,500, the grant is reduced to an amount which is 50% of the student's need.

TABLE B-2

EXAMPLES OF BASIC GRANT AMOUNTS, ENTITLEMENT, AND AWARDS  
UNDER VARIOUS LEVELS OF COLLEGE COST AND PROGRAM FUNDING

College Cost	Family Contribution	Financial Need	BG Amount	Full Funding Entitlement/Award	75-99% Funding Entitlement/Award	Less than 75% Funding Entitlement/Award
\$3,000	\$ -0-	\$3,000	\$1,400	\$1,400	\$1,050 \$1,050	\$1,050 \$1,050
2,500	500	2,000	900	900	630 630	630 630
2,000	500	1,500	900	900	630 630	630 630
1,500	500	1,000	900	750	490 490	490 490
1,500	1,000	500	400	400	200 200	200 200
1,500	-0-	1,500	1,400	750	490 490	490 490
1,200	-0-	1,200	1,400	600	390 390	390 390
1,200	600	600	800	600	360 360	360 300
1,200	1,000	200	400	200	100 100	100 100
1,000	900	100	500	-0-	-0- -0-	-0- -0-
200	-0-	200	1,400	100	50 50	50 50

APPENDIX C

COLLEGES INCLUDED IN THIS STUDY

White Four-Year Public Colleges

Florence State University	Auburn University-Auburn
Jacksonville State University	Auburn University-Montgomery
Livingston State University	The University of Alabama
Troy State University-Troy	University of Alabama in Birmingham
University of South Alabama	University of Alabama in Huntsville

Black Four-Year Public Colleges

Alabama A & M University  
Alabama State University

White Four-Year Non-Public Colleges

Athens College	Mobile College
Birmingham-Southern College	Samford University
Huntingdon College	Spring Hill College
Judson College	St. Bernard College

Black Four-Year Non-Public Colleges

Daniel Payne College	Stillman College
Oakwood College	Talladega College
Miles College	Tuskegee Institute
Selma University*	

Black Two-Year Public Colleges

S.D. Bishop State JC  
T.A. Lawson State JC

White Two-Year Public Colleges

Alexander City State JC	Jefferson State JC
A.P. Brewer State JC	Northeast Alabama State JC
J.C. Calhoun State Technical JC	Northwest Alabama State JC
J. Davis State JC	Snead State JC
Enterprise State JC	Southern Union State JC
J.H. Faulkner State JC	G.C. Wallace State Technical JC
Gadsden State JC	L.B. Wallace State JC
P. Henry State JC	

White Two-Year Non-Public Colleges

Alabama Christian College	Marion Institute
Cullman College	Walker College

\*For the purposes of this study, Selma University is included in the black four-year non-public colleges. This grouping is necessary to insure a sufficient number of colleges within each grouping for analysis and to maintain the confidentiality of institutional data.